QUESTAR

Questar Gas Company

180 East 100 South

P.O. Box 45360

Salt Lake City, UT 84145-0360

Tel 801 324 5555

FEB 26 9 21 11 150 SERVICES STONE

February 20, 1998

Ms. Julie Orchard **Utah Public Service Commission** Heber M. Wells Building 160 East 300 South Salt Lake City, UT 84110

Dear Ms. Orchard:

Mountain Fuel's Monthly Report of Re:

> Intercompany Loan Activity as Required by the Commission in its Order in Case No. 85-057-09

Enclosed for filing with the Commission are three copies of forms showing Mountain Fuel Supply Company's intercompany loan activity in January. The forms show that Mountain Fuel has loaned Questar \$0.00 as of January 31, 1998. Also enclosed are three copies of the computation of the intercompany interest rates for February 1998.

If there are any questions or if the Company can provide additional information, please let me know.

Sincerely,

Barrie L. McKay

Director Regulatory Affairs

Barrie LMcKay

BLM/edz **Enclosures**

MOUNTAIN FUEL SUPPLY COMPANY

INVESTMENT REGISTER — LOANS TO QUESTAR CORPORATION

					
DATE OF LOAN	LENGTH OF NOTE	DATE OF REPAYMENT	INITIAL INTERCOMPANY INTEREST RATE	AMOUNT OF LOAN	CURRENT BALANCE
6/15/95	90 day	1/9		(2,700,000)	3,600,000
6/16/95	9000	6/19/95	6.11	200,000	3,800,000
6/19/95		6/9,12,3,14,16		(3,500,000)	٥
6/23/95	90 day		6.11	1,000,000	1,000,000
6/27/95	90day		6.11	1,300,000	2,300,000
6/28/95	90 day		6.11	300,000	2,600,000
6/29/95		6/23,27,28		(5,600,000)	, 0
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The intercompany interest rate calculation for the month of February, 1998 is shown below:

Market Borrowing Rate (1 month)	5.79%	
Market Investment Rate (1 month)	<u>5.53</u> %	
	11.32%	
Intercompany Interest Rate (Average)	5.66%	